

REMARKS

The present application was filed on November 13, 2000 with claims 1 through 23. Claim 5 was cancelled in the Amendment and Response to Office Action dated September 27, 2005. Claims 1-4 and 6-23 are presently pending in the above-
5 identified patent application.

In the Office Action, the Examiner rejected claims 1-4 and 6-23 under 35 U.S.C. §103(a) as being unpatentable over Adams et al. (United States Patent Number 5,274,561) in view of Rossides (United States Patent Number 5,620,182) and McCullough et al., "The Numerical Reliability of Econometric Software," Journal of
10 Economic Literature, Vol. 37, No. 2 (June, 1999), pp. 633-665).

As set forth in greater detail hereinafter, Applicant respectfully traverses the Examiner's rejections, inasmuch as the *seed value* of McCullough et al. is *not* a *buyer-provided offset value* as claimed in claims 1, 12, 15, 18, and 23.

Independent Claims 1, 12, 15, 18, and 23

15 Independent claims 1, 12, 15, 18, and 23 were rejected under 35 U.S.C. §103(a) as being unpatentable over Adams et al. in view of Rossides and McCullough et al. Regarding claim 1, the Examiner acknowledges that Adams, "explicitly, does not disclose...obtaining a buyer provided offset value from an item associated with said buyer, and random number based on said buyer-provided offset value," but asserts that
20 McCullough discloses a "random number based on said buyer-provided offset (seed) value." The Rossides reference also fails to teach or suggest such a buyer-provided offset value.

Applicant notes that the present disclosure teaches that,

25 in a further variation, the random number generation process can incorporate a *buyer-provided offset* that guarantees that the seller cannot introduce a bias into the generated random number that favors the seller. In this manner, both the buyer and the seller alike can be certain that the generated random number is fair. Without such a buyer-
30 provided offset, the seller could systematically build in a bias favoring himself by generating random numbers which tend to be very slightly low. The buyer-provided offset can, for example, *be specified by the buyer in response to a query from the POS terminal 100 or be generated from a serial number or other numeric identifier obtained from a bill (paper currency) provided by the buyer*. Thus, the random number generated by

the seller (or the POS terminal 100) *can be added to the buyer-provided offset*, and the modulo-100 result determines whether the rounding is done in an upward or downward manner. In yet another variation, fairness can be ensured by having the generation of the random number performed or supervised by a trusted third party.

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(Page 5, line 16, to page 6, line 1; emphasis added.)

The specification further teaches that

the coinless transaction process 200, which is typically executed by the seller, then generates a random increment between 0 and 99 during step 240. As noted in step 220, this random process should not have access to the buyer provided offset. The seller-generated value ensures that the final transaction price is calculated fairly from the seller's perspective.

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The buyer-provided offset, if any, and the seller-generated increment are combined during step 250, modulo 100, to determine a random number, R, that will determine the final transaction price. A test is performed during step 260 to determine if the random number, R, is less than C.

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(Page 8, lines 6-14; emphasis added.)

As the Examiner acknowledges, McCullough teaches a user-supplied *seed*.

Contrary to the Examiner's assertion, however, a *user-supplied seed* is *not* the same as a *user provided offset*. For example, allowing the user to pick the seed for a random generator does not make a random number generator any more trustworthy, since the random number generator may simply ignore the user-provided seed. As noted above, a buyer-provided offset value "guarantees that the seller cannot introduce a bias into the generated random number that favors the seller." (Page 4, lines 1-2.) The seed disclosed by McCullough does not meet this requirement of the definition of a buyer-provided offset value. Independent claims 1, 12, 15, 18, and 23 require obtaining a *buyer-provided offset value* from an *item associated with said buyer*; and generating a random number *based on said buyer-provided offset value*.

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Thus, Adams et al., Rossides, and McCullough et al., alone or in combination, do not disclose or suggest obtaining a buyer-provided offset value from an item associated with said buyer; and generating a random number based on said buyer-provided offset value, as required by independent claims 1, 12, 15, 18, and 23. Accordingly, Applicant respectfully asserts that the Examiner's rejections of such claims

have been overcome.

Dependent Claims 2-4, 6-11, 13-14, 16-17 and 19-22

Dependent claims 2-4, 6-11, 13-14, 16-17, and 19-22 were rejected under 35 U.S.C. §103(a) as being unpatentable over Adams et al. in view of Rossides and
5 McCullough et al.

Claims 2-4 and 6-11, claims 13-14, claims 16-17 and claims 19-22 are dependent on claims 1, 12, 15, and 18, respectively, and are therefore patentably distinguished over Adams et al., Rossides, and McCullough et al., alone or in any combination, because of their dependency from independent claims 1, 12, 15, and 18 for
10 the reasons set forth above, as well as other elements these claims add in combination to their base claim.

Conclusion

All of the pending claims, i.e., claims 1-4 and 6-23, are in condition for allowance and such favorable action is earnestly solicited. Applicant reiterates and
15 incorporates by reference all arguments set forth in previous papers submitted by Applicant.

If any outstanding issues remain, or if the Examiner has any further suggestions for expediting allowance of this application, the Examiner is invited to contact the undersigned at the telephone number indicated below.

20 The Examiner's attention to this matter is appreciated.

Respectfully submitted,



Paul J. Otterstedt
Attorney for Applicants
Reg. No. 37,411
Ryan, Mason & Lewis, LLP
1300 Post Road, Suite 205
Fairfield, CT 06824
(203) 255-6560

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